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C O N F I D E N T I A L SECTION 01 OF 02 HAVANA 000424

SIPDIS

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TAGS: EAID PHUM PREL ECON PGOV CU

SUBJECT: EUROPEANS RAMPING UP AID TO CUBA

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Classified By: COM Jonathan Farrar for reasons 1.4 (b) and (d)

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SUMMARY  
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¶1. (C) The European Union is ramping up its Mission in Cuba to focus on implementing a 40 million euro cooperation (i.e. aid) agreement. Prior to October 2008, Cuba only accepted limited assistance from Belgium and Spain. Although the EU package does not provide any direct budget support, all implementing agencies (United Nations and European NGOs) will have to partner with local organizations controlled by the Government of Cuba (GOC). The new package focuses on hurricane assistance and preparedness, agriculture and food security, environment, culture, and business management training. EU contacts are relatively pleased with the level of GOC cooperation, though GOC officials repeatedly shun EU attempts to provide advice or technical expertise. The EU Mission's plan to add a dedicated political/economic section may improve the attention paid to human rights and economic issues. End Summary.

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CUBANS FINALLY AGREE TO ACCEPT 40 MILLION EUROS  
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¶2. (C) The European Union (EU) suspended assistance to Cuba in the Spring of 2003 following the imprisonment of 75 writers, journalists, and other members of civil society. Cuba continued to punish the EU and its members (with the notable exceptions of Belgium and Spain) for this decision even after the EU Council effectively lifted the suspension in June 2008. Cuba even refused emergency hurricane assistance from the European Union when three powerful hurricanes devastated much of the island in August and September 2008. It was not until October 24, 2008, when Cuba and the European Commission (EC) agreed to "resume cooperation activities without conditions" that Cuba would once again accept aid from Europe.

¶3. (C) The EU Mission in Cuba is in the process of implementing a 40 million euro aid package using 2008-2009 funds. Additional funds are likely in 2010. Our EU contacts note that, unlike traditional EU aid packages, this

assistance does not include any direct budget support. Instead, all of the aid will be delivered through UN agencies or NGOs. However, all projects will be run in conjunction with Cuban ministries, agencies, and GONGOs (government organized NGOs) and require the blessing of the ministry charged with economic cooperation. The package includes the following components:

--Disaster Response and Management: 1) two 2 million euro (4 million total) emergency humanitarian assistance projects for six months each run through the European Commission's Humanitarian Aid Office (ECHO); 2) four 18-month agriculture rehabilitation projects aimed at improving productive capacity already awarded to the few European NGOs working in Cuba (7.5 million euro); participation in a 16 million euro regional program (amount for Cuba yet to be determined) on disaster preparedness through DIPECHO (the disaster preparedness part of ECHO).

--Agriculture/Food Security: 1) 11.7 million euro food facility run by UNDP through a "bottom-up" development program to support the local modernization of the agriculture sector (PALMA) set to begin this summer and conclude within three years; 2) a second food facility that will be delivered through UNDP (4.4 million euro linked to PALMA but from a different budget) and European NGOs (3.6 million euro call for proposals will close in mid-September).

--Environment: 1) 3 million euros for projects related to renewable energy and climate change through NGOs most likely to start in early 2010; 2) 2.8 million euro contribution to the UNEP regional project to create a bio corridor with Cuba, Haiti, and the Dominican Republic.

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--Culture and Other: 1) 1.1 million euro contribution to the UNESCO restoration of the Old Havana Historical Center (ongoing); 2) revival of the DEADE (Diplomado Europeo en Administracion y Direccion de Empresas) program to train Cubans in business administration and the possible creation of a European Management School (2.2 million euro); two 300,000 euro projects to support social cohesion through non-state actors (open call for proposals).

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EU COUNCIL'S BLESSING  
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14. (C) Officials at the European Union's Mission in Cuba are pleased with the June 15, 2009 EU Council declaration on the EU Common Position on Cuba. In particular, our contacts noted the second adopted conclusion which for the first time since 2003 took "positive note of the renewal of development cooperation with Cuba as a tool for improving the lives of the Cuban people." The European Commission has already doubled its representation at the Mission from two to four officers to assist with the implementation of the aid package. In addition, the Mission intends to add a three person political/economic section. Currently, reporting on human rights and the economic situation in Cuba are secondary responsibilities for the new officers whose primary focus is on getting their coordination projects up and running. The Mission is also looking to move to another location with more space. In the meantime, individual member states (Spain and Belgium) continue providing bilateral assistance, while others pursue their own cooperation agreements (France and Portugal).

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KNOW IT ALL  
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15. (C) As we have heard from other donors, GOC officials are often dismissive of any attempts by foreign officials or visiting delegations to offer proposals for the type of

programs that could benefit Cuba. Instead, GOC officials only want the money or equipment transferred directly into Cuban hands. They have no use for visiting experts, training, or technical workshops. In one particular meeting, a Director in the Ministry of Science, Technology, and Environment told a visiting renewable energy consultant funded by the EU that Cuba already knew exactly what it needed to do but only lacked the funds. The expert then visited some projects and saw 20-30 year old technology and know-how that completely invalidated what he had been told by the Ministry.

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COMMENT  
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¶6. (C) The previous number two at the EU Mission in Cuba was technically in charge of cooperation activities and political/economic affairs, but he focused primarily on political and economic issues since cooperation activities were nonexistent. The new officer arrived last summer with a coordination background just after the EU's June 2008 change of heart. As a result, economic and political issues were either covered by the Charge or not followed at all. We will be watching to see whether a newly expanded EU political/economic section will focus on another of the conclusions listed in the June 15, 2009 EU Council declaration - the commitment to pursue a results-oriented comprehensive dialogue with representatives of civil society and the peaceful pro-democracy opposition and to always address human rights issues during high level visits.

FARRAR